

Message Text

LIMITED OFFICIAL USE

PAGE 01 BRASIL 00985 041411Z

53

ACTION EB-07

INFO OCT-01 ARA-06 IO-11 ISO-00 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00 OMB-01

EUR-12 /109 W

----- 045143

P R 041145Z FEB 76

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC PRIORITY 3704

USMISSION MTN GENEVA PRIORITY

INFO AMCONSUL SAO PAULO

AMCONSUL RIO DE JANEIRO

LIMITED OFFICIAL USE BRASILIA 0985

E.O.11652: N/A

TAGS: ETRD, MTN, BR

SUBJECT: MTN: TROPICAL PRODUCTS NEGOTIATIONS

REF: (A) STATE 006095, (B) 75 MTN GENEVA 9366, (C) STATE 287116,

1. SUMMARY: THERE APPEAR TO BE NO BRAZILIAN EXPORT RESTRAINTS WHICH COULD HAVE SIGNIFICANT ADVERSE EFFECT ON US IMPORTS IN THE SHORT AND MEDIUM TERM. CERTAIN CONCESSIONS AS WELL AS ASSURANCES DESIGNED TO LIMIT OR AVOID DISCRIMINATORY TREATMENT OF US AGRICULTURAL EXPORTS IN RELATION TO LAFTA PRODUCTS WOULD, HOWEVER, BE DESIRABLE. ALSO, SINCE THE US AND OTHER INDUSTRIALIZED COUNTRIES COULD, IN THE LONG RUN, BECOME DEPENDENT ON BRAZILIAN MINERALS SUPPLIES, IT MIGHT BE USEFUL TO DISCUSS COMMITMENTS FOR CERTAIN MINERALS WITHIN THE MTN FRAMEWORK. END SUMMARY.

2. EMBASSY HAS NOTED WASHINGTON INQUIRY (REF A) CONCERNING LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BRASIL 00985 041411Z

POSSIBLE HOST COUNTRY EXPORT RESTRICTIONS WHICH COULD HAVE

AN IMPACT ON US ECONOMY. IN TH SHORT AND MEDIUM TERM, THERE APPEAR TO BE NO SUCH RESTRAINTS WHICH WOULD HAVE A SIGNIFICANT ADVERSE EFFECT ON THE US ECONOMY. BRAZILIAN EXPORT RESTRICTIONS ARE BASICALLY OF TWO YPES: FIRST, THERE ARE THOE INHERENT IN COMMODITY AGREEMENTS (SUCH AS COFFEE, AS WHEN THE ICA REQUIRES THE ADOPTION OF SUCH RESTRICTIONS); SECONDLY, THERE ARE RESTRICTIONS IN THE FORM OF EXPORT LICENSING REQUIREMENTS. ONE OF THE CONSIDERATIONS IN ISSUING THESE LICENSES IS THAT THE DOMESTIC MARKET MUST BE ADEQUATELY SUPPLIED BEFORE A GIVEN PRODUCT IS EXPORTED (E.G., RICE, MEAT, SUGAR, ETC.).

3. CONCERNING REFERENCE E, WE WOULD LIKE TO SEE LOWER TARIFF RATES ON THE PRODUCTS LISTED ON THE LAST TWO PAGES OF AGATTACHE/SAO PAULO REPORT BP-5013 (JUNE 20, 1975): AN EFFORT SHOULD DEFINITELY BE MADE TO NEGOTIATE TARIFF REDUCTIONS. AMONG THESE PRODUCTS, PEAS, APPLES, PEARS, RAISINS, AND NUTS (INCLUDING ALMONDS) HAVE BEEN THE SUBJECT OF SPECIF USG INTEREST. TWO OTHER PRODUCTS, NOT IN THE ABOVE CITED SAO PAULO REPORT, FOR WHICH WE WOULD LIKE TO SEE DUTY REDUCTIONS ARE TALLOW AND HOPS. ADDITIONALLY, AS BRAZILIAN TOBACCO PRODUCTION AND EXPORTS EXPAND, A FAIRER TREATMENT OF IMPORTED TOBACCO IN BRAZIL MIGHT BE CALLED FOR. EMBASSY SUGGESTS THAT THE FOREIGN MARKET DEVELOPMEN DIVISION OF FAS ALSO BE CONSULTED TO SUGGEST AND EVALUATE SPECIFIC CONCESSIONS.

4. USDEL/MTN MAY ALSO WISH TO PURSUE USG CONCERN ABOUT THE DISCRIMINATION TOWARD US EXPORTS IN RELATION TO LAFTA PRODUCTS (AS EXEMPLIFIED BY THE 360 PRIOR IMPORT DEPOSITJ SCHEME AND THE RECENT APPLES AND PEARS PROBLEM). FOR EXAMPLE, USDEL MAY WISH TO SEEK SOME ASSURANCES THAT WHEN IMPORT RESTRICTIONS ARE IMPOSED FOR BALANCE OF PAYMENTS REASONS FROM WHICH LAFTA COUNTRIES ARE EXEMPT, AN EFFORT WILL BE MADE BY USG TOLIMIT DISCRIMINATORY TREATMENT OF US EXPORTS, PARTICULARLY THOSE ON WHICH CONCESSIONS HAVE BEEN GRANTED.

5. IN THE MINERALS FIELD, THE US AND OTHER DC'S MAY BECOME DPENDENT ON BRAZIL IN THE LONG RUN IF CURRENT MAJOR PROJECTS GO FORWARD. SPECIFICALLY, BRAZIL MAY BECOME THE WORLD'S LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BRASIL 00985 041411Z

PRINCIPAL EXPORTER OF IRON ORE. THUS, IF WOULD BE USEFUL TO SEEK SOME LONG-TERM SUPPLY ASSURANCES FROM BRAZIL IN THE MTN. HIGH LEVEL BRAZILIAN OFFICIALS HAVE ALREADY INDICATED THAT RAW MATERIAL SUPPLIERS NOW HAVE A "BARGAINING CHIP" THAT DC'S RECOGNIZE AS IMPORTANT. (SEE 75 BRASILIA 3907).

6. THIS MESSAGE WAS COORDINATED WITH AGATTACHE. CRIMMINS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORTS, NEGOTIATIONS, TRADE CONTROLS
Control Number: n/a
Copy: SINGLE
Draft Date: 04 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976BRASIL00985
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760042-0442
From: BRASILIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760285/aaaacwew.tel
Line Count: 115
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 STATE 6095, 75 MTN GENEVA 9366, 75 STATE 287116
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 07 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07 MAY 2004 by ifshinsr>; APPROVED <20 MAY 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MTN: TROPICAL PRODUCTS NEGOTIATIONS
TAGS: ETRD, US, BR, MTN
To: STATE MTN GENEVA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006